GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:543
ANSWERED ON:09.07.2004
MERGER OF IFCI AND IDBI
Acharia Shri Basudeb

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has examined the proposal of merger of IFC1 with IDBI ;

(b) if so, the details thereof and action taken/proposed to be taken in this regard ;

(c) whether the Government have also received proposal of merger of al! DFIs to forma mega institution for industrial development of the country ; and

(d) if so, the details of action -taken in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHR] S.SPALANIMANICKAM)

(a) to (d) : Government, have explored ali possible alternatives for maintaining the long term sustainability of development financial institutions. In this context, the merger of IFCI with other FIs and Public Sector Bank has also been considered. IFCI is a company registered under the Companies Act, 1956 with no direct shareholding of the Government. As such, the merger of IFCI with IDBI or another bank would be decided by the Board of Directors of IFCI depending on the entity which offers maximum synergy from a merger.